

Keeping Information Fresh at

# Utz

Quality Foods


## Snack Food Company Uses WebFOCUS to Optimize Inventory, Sales, and Production Processes.

Twenty-five years ago, Bill and Sallie Utz started a small business with the simple goal of creating fresher potato chips. Today, Utz Quality Foods, Inc. is still a family-run business, but it has grown far beyond a mom-and-pop operation. Utz is a national player in the consumer packaged goods industry, servicing large retail customers like Sam's Club and Costco as well as major supermarket chains. Utz coordinates sales and production of more than 20,000 pounds of potato chips every hour, and manages more than 700-plus delivery routes to 30,000 stores.

In the snack food industry, quality is key. Timing is a crucial element in keeping fresh product on store shelves. To that end, Utz uses WebFOCUS to coordinate the timing among its production, marketing, sales, and distribution operations.

"One thing we do very well is service our customers," says J. Ed Smith, chief information director at Utz. "WebFOCUS gives us real-time insight into what is selling and what inventory is on store shelves."

The Hanover, Pennsylvania-based company operates on a Direct Store Delivery business model, marketing its products to stores and supermarkets in the mid-Atlantic states. Utz also distributes snack food products that it buys from companies like ConAgra Foods, makers of Slim Jim. WebFOCUS is at the heart of a system called UtzFOCUS that allows

A man with white hair, wearing a white dress shirt and a red and black patterned tie, stands in front of a white truck. The truck has a logo on its side that includes a red and blue shape. The background is a clear blue sky.

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## Snapshot

### Organization

Based in Hanover, Pennsylvania, Utz Quality Foods, Inc. manufactures and distributes potato chips and other snack foods in the mid-Atlantic United States.

### Challenge

Keep decision-makers informed of sales and distribution information, obtained daily from a widely dispersed sales force.

### Strategy

Harness the power of BI to create a Web-based system that generates reports based on data gathered from hand-held devices in the field, so managers can quickly access and analyze timely information.

### Results

Significant company growth, improvements in distribution and sales processes, and the ability to make more rapid decisions.

### Information Builders Solution

WebFOCUS

managers to quickly gather and analyze current sales and distribution information. Authorized users can determine how much of a certain product is selling on any given day, how much was sold into a particular store or chain, at what price, and in response to what promotion.

“WebFOCUS is increasing the effectiveness of our sales promotions and improving customer relationships,” says Smith. “If a regional manager sees that a store is not properly stocked, he can find the source of the problem and correct it quickly. Thanks to this system, we’re growing faster than any of our competitors in our core markets and products.”



**A New Recipe for Success**

Potato chips have been around since the 1850s when a chef at a Saratoga Springs, New York restaurant popularized a thinly sliced version of french-fried potatoes. Today, potato chips are one of the world’s most popular snack foods – although UtzFOCUS is anything but common. The custom-developed business intelligence (BI) environment delivers daily sales breakdowns product-by-product and store-by-store in a form that is easy for busy salespeople to digest. The information helps salespeople manage their routes and improves visibility throughout the supply chain, helping Utz remain a leader in its market.

“It all began with a simple realization: our senior managers recognized that we were going to need a BI tool to distribute timely information to our sales force so we could efficiently service stores on a

day-to-day basis,” recalls Smith. “And it has grown from there. Today, WebFOCUS is an important part of our operation because it puts real-time information into the hands of the people who need it.”

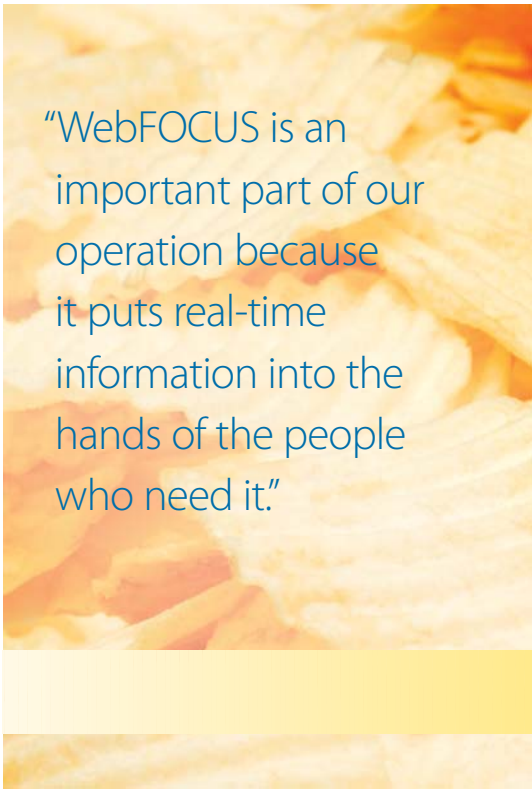


Utz has grown through its uncompromising focus on quality, responsiveness, and customer service. The key to its steady growth has been the ability to effectively service the stores that sell its products. “In recent years, our percentage of annualized growth has been in the double digits,” says Smith. “A lot of that has to do with our ability to provide information to our robust sales force. Decision-makers at our company don’t merely analyze sales at the end of the month; they look at sales data every day to get a current view of demand. A key metric in our industry is to compare how we are doing this week compared to the same week last year. That’s the kind of information this system readily provides.”

**Spicing Up Sales**

Utz conducts vendor-managed inventory (VMI) with its retailers since it’s responsible for maintaining inventory levels on its customers’ grocery store shelves. This distribution model is popular in the retail and CPG industries because it eases demand and increases sales by tying daily production to actual needs.

VMI programs are most successful when suppliers can exchange real-time information about promotions and inventory levels with their retailers. The model works best when delivery people can send and receive current information. In Utz’s case, the



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delivery people who maintain the stock in stores collect data using hand-held devices. These personnel have 50 kinds of transactions available in the portable information system, including buying back product that is no longer fresh and selling new product into the store.

Pertinent information is recorded in the hand-helds as drivers make their rounds. When these drivers return to their local distribution centers, they upload the data automatically by docking the devices. Information is uploaded to a DB2 database on an IBM i520-series computer. “Each day the database is updated with current inventory and demand information from all of the salespeople,” explains Smith.

Then WebFOCUS comes to life to crunch through the data. Utz processes the information in batch



**J. Ed Smith**  
Chief Information Director  
Utz Quality Foods



mode each night. A separate application sorts the data into various tables that are structured for reporting. The next morning, a fresh batch of information is available for self-service reporting.

Smith credits his project manager, G. Vaughn Kegerreis, for designing such an efficient and useful BI system. “Vaughn has been able to segment the information in a well-designed hierarchy by using the sales organization’s chain of command and business methodologies. Since the sales organization is probably the biggest driver of growth in the organization, it made sense to follow their strategies and methodologies for the UtzFOCUS system.”

Regional managers also use WebFOCUS reports to make daily decisions about inventory and sales.

For example, they might compare last week’s sales results to the same week a year earlier, drilling down to isolate areas of interest. WebFOCUS also helps them root out problems, such as when sales are lagging in a particular region or store. If a store wasn’t serviced for whatever reason, the regional manager will be alerted and can then make sure somebody gets out there to fill the shelves. All of the information is accessible via standard Web browsers.

### A Taste of Things to Come

Utz has already proven it can synchronize supply and demand by quickly exchanging information between headquarters and the field. With its sales data well in hand, it is now improving its command of production data. Tying daily production more closely to sales enables the company to streamline its supply of bags, shipping containers, and other supplies so the factories maintain just enough inventory for current needs.

That’s just the start. Smith is now exploring ways to use WebFOCUS Active Reports to deliver portable analytics to the sales team. “As we upgrade our hand-held devices to the latest Windows operating system, we’ll have a platform for pushing information out to our delivery personnel,” says Smith. “Our drivers are paid on commission, so we predict they will welcome these enhancements.”

With WebFOCUS Active Reports, remote users can run reports, apply filters or calculations, and visualize data with a few mouse clicks. A lightweight analytical engine is delivered as part of the report, so users can manipulate the associated data offline. For example, if Utz decides to discount a product, salespeople could review the current

inventory, then ask store managers for special placement in the store based on their instant analysis of how a similar promotion boosted sales in the past.

“Active Reports will give us a more instantaneous direct link to field salespeople, supervisors, and district managers,” explains Smith.

“Instead of simply sending information, we can deliver data for particular users, then let them interact with it to make decisions on the spot. This type of technology is perfectly suited to drivers and sales personnel in the field, as well as to managers who might want to analyze information while on the road.”

As these and other ideas for enhancing the UtzFOCUS system take shape, software technology from Information Builders will continue to give the company an edge in a fiercely competitive industry. WebFOCUS has helped Utz fine-tune production and distribution, making it one of the fastest-growing players in the areas it serves.

“Our organization’s growth is directly attributed to the things we have done with WebFOCUS,” concludes Smith. “The software we get from Information Builders is a tremendous benefit to our company. We are banking on using the tool to disseminate not only sales information, but also any other business-critical data within the Utz organization. WebFOCUS helps us meet our IT mission statement: to deliver the right information to the right people at the right time in an economical fashion.”

